

THE PRESIDENT'S INTELLIGENCE CHECKLIST

8 JAN. 1962
~~TOP SECRET~~

1. Laos

A. Phoumi appears to be playing for time in hopes of a change in US policy. He now says Boun Oum will probably go to Geneva and hints he might be persuaded to go himself, but refuses to consider giving up the two key cabinet posts. Phoumi and Boun Oum have several family and religious obligations this month which can be used to complicate their attendance.

B. Phoumi is also trying to bring counter-pressure on the US by threatening to publish Ambassador Brown's statements on the withdrawal of aid, saying this "would create a bad impression on the world of the US giving aid with conditions."

C. Souvanna, in Paris, says he is ready to come to Geneva when the others are ready, and that Souphannouvong is willing to come immediately. He says having Boun Oum without Phoumi would be useless. Sullivan sees a danger that the Soviets might stage a "two prince" meeting to embarrass us.

D. Vientiane goes on claiming "fierce enemy attacks" around Tha Thom. Enemy forces there, at Xieng Khouang, and in the Mahaxay-Nhommarath area all have been alarmed by government troop movements.

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E. The Thais, which denying to Ambassador Young that they are supporting Phoumi's opposition to our policy, have again stated their strong opposition to Souvanna, and especially to his being given the Interior and Defense Ministries.

2. West New Guinea

- A. The diplomatic situation is unchanged.
- B. Sukarno continues to beat the drums on his tour of the eastern islands. An attempt--by persons unknown--to assassinate him last night failed. The Dutch are complaining about the presence of Ambassador Jones in Sukarno's party.
- C. Soviet technicians in Indonesia are to begin this week training air force crews in the use of air-to-ground missiles. Other groups of Soviet instructors are due to arrive next month.

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3. French-Algerian negotiations approach crucial stage

- A. The Algerian rebel cabinet has gathered in Rabat to be in a position to make quick decisions. A cease-fire agreement may be reached by the middle of the month.

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- C. OAS propaganda suggest the OAS is trying to achieve a rapid build-up of tension. Although French security operations have also been stepped up, public order in the Algerian cities has markedly deteriorated.

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4. Dramatic changes in Portugese foreign policy unlikely
- Ambassador Elbrick notes that Portugal has "no place to go," and hence is unlikely to consider seriously a withdrawal from NATO. Dropping out of the UN is a possibility, and Portugal may recognize Communist China, both to needle the US and to protect Macao. (There has been no sign that Lisbon intends to hamper our use of Portuguese bases for Long Thrust.)
5. Yugoslavia urges Italy and Greece not to interfere in Albania
- The Yugoslavs claim to have given the same advice to the USSR. Ambassador Kennan sees no possibility of a joint Yugoslav-Soviet action, and doubts that the Yugoslavs would try anything by themselves. The latter deny any intent to do so.
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LATE ITEM

6. Prospects worsen for negotiations on Kashmir
- In the wake of Goa, President Ayub is deeply disturbed by distorted accounts of Nehru's conversations with President Kennedy and with Khrushchev. They have had him to believe that if India attacked Pakistan the USSR would intervene on behalf of India while the US would not intervene in support of Pakistan. He links this information with inflammatory statements by Indian leaders and movements of Indian armored units (at least some of which we believe to be reshuffling connected with the Goa operation) to conclude that an Indian attempt to take the rest of Kashmir by force is quite possible. Ayub says he will not defer action in the UN Security Council beyond 22 January. Both he and the Indians still say they are willing to have talks at the ministerial level, but each claims there is little point in them as long as the other remains obdurate.

NOTES

- A. A Belgian commercial aircraft en route from Tehran to Istanbul strayed into the USSR early this morning and was forced to land by Soviet fighters. The pilot reported compass failure.

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- B. No major developments were reported in the Congo. The Katangan parliament is to meet again today.

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- D. Nepali exiles in India have stepped up armed resistance operations inside Nepal. We doubt they could do this against Nehru's will. In the past, he has held them back for fear of giving the Chinese Communists an opportunity to meddle.

THE DIRECTOR OF CENTRAL INTELLIGENCE